



# North Carolina District Review

U.S. Small Business Administration, 6302 Fairview Road, Suite 300, Charlotte, N.C. 28210

## OCTOBER, 2002

Starting with this issue, the *NC District Review* will be sent to you monthly. We want to bring you monthly updates on the Lender Rankings and important notices about SBA loan programs. The *District Review* will be available via e-mail or fax. Please let us know your preference and your correct fax or e-mail information. Notify Cecelia Rolls by phone at 704-344-6810, by fax at 704-344-6769 or e-mail at [cecelia.rolls@sba.gov](mailto:cecelia.rolls@sba.gov)

### LENDER RANKINGS

October 1, 2001- September 30, 2002

#### LENDERS

	No. of Loans			\$ Amount Millions
	<u>7(a)</u>	<u>504</u>	<u>Total</u>	
<b>BANKS</b>				
1. Bank of America	100	2	102	\$8.1
2. Wachovia Bank	62	4	66	\$8.9
3. First Citizens Bank & Trust Company	48	7	55	\$8.0
4. Branch Banking & Trust Company	25	17	42	\$18.6
5. Temecula Valley Bank	26		26	\$10.2

#### **COMMUNITY BANKS**

1. First Commerce Bank	13	6	19	\$4.0
2. Capital Bank	16		16	\$5.1
3. Southern Bank & Trust Company	15		15	\$2.4
4. The Fidelity Bank	11	4	15	\$2.7
5. FNB Southeast	8	2	10	\$1.5

#### **SMALL BUSINESS LENDING COMPANIES**

1. CIT Small Business Lending Company	49	1	50	\$23.2
2. Self-Help Credit Union	30	1	31	\$3.5
3. GE Capital Small Business Finance	21	6	27	\$17.4

#### **CERTIFIED DEVELOPMENT COMPANIES**

1. Self-Help Ventures Fund		27	27	\$13.2
2. Charlotte Certified Development Corporation		19	19	\$7.6
3. Centralina Development Corporation		18	18	\$9.2

## **MAXIMUM 7(a) LOAN SIZE**

With no Federal budget for fiscal year 2003, SBA is currently operating under a Continuing Resolution. As a result it was necessary for the Agency to place a limit of \$500,000 on the total dollar amount for all 7(a) loans approved on or after October 1, 2002. The \$500,000 limit is meant to allow the SBA to provide continuing, uninterrupted financing assistance to the vast majority of small businesses seeking 7(a) financing. The \$500,000 limit would have covered 87 percent of the loans made last year. The SBA will revisit the issue of 7(a) loan size limits when it receives its annual appropriations. The new limit does not apply to STAR loans (loans to businesses impacted by the events of September 11, 2001) which are available through January 10, 2003.

## **7(a) LOAN GUARANTY FEE REDUCTION**

Last year Congress enacted legislation reducing the fees on SBA guarantees for two years beginning October 1, 2002. It affects loans with a maturity exceeding 12 months (no change for loans with a maturity of 12 months or less). The reduced fee structure is:

- (i) A guaranty fee equal to 1 percent of the SBA guaranteed portion of a total loan amount that is not more than \$150,000.\*
- (ii) A guaranty fee equal to 2.5 percent of the SBA guaranteed portion of a total loan amount that is more than \$150,000, but not more than \$700,000. \*\*
- (iii) A guaranty fee equal to 3.5 percent of the SBA guaranteed portion of a total loan amount that is more than \$700,000.\*\* There is no change in this fee.

\* Lenders may retain up to 25 percent of the fee collected under this subparagraph.

\*\* 7(a) loans other than STAR loans are currently capped at \$500,000.

Please direct questions regarding this change to the Finance Division at (704)344-6810.

## **REDUCED ON-GOING 7(a) SERVICING FEE**

The annual on-going servicing fee for all 7(a) loans approved during the 2-year period beginning October 1, 2002, shall be 0.25 percent of the outstanding balance of the guaranteed portion of the loan. The legislation provides for this fee to remain in effect for the term of the loan. This shall also be true for the ongoing service fee of any STAR loan. The previous servicing fee was 0.50 percent.

## **MONTHLY LENDER WORKSHOP**

The NC District Office conducts Lender Workshops from 9:00 a.m. until 12:15 p.m. on the second Tuesday of each month at the Charlotte office. The workshops focus on SBA Programs and borrower eligibility. Walk-ins are welcome, but the presenter, Roscoe Hanner, appreciates knowing if you are planning to come. Call him at (704)344-6567 or Gary Borchardt at (704)344-6377 to register. Also, if you would like to have the same group training on-site at your bank, please call us to schedule.

## **DATA COLLECTION – AN IMPORTANT PART OF SBA FUNDING**

We need your help. The information required on SBA Form 4, Application for Business Loan, and SBA Form 4-I, Lender's Application for Guaranty, is important to us. Congress requires SBA to report the gender, race/ethnicity and military service dates of borrowers (all owners) receiving guaranteed loans.

Information accuracy is important. Please double check all information and complete the yes/no questions on page 3 before submitting the Forms 4 & 4-I. The race/ethnicity codes are:

- 8 – Multi-Group
- 7 – Caucasian
- 6 – Unknown
- 5 – Alaska Native
- 4 – Asian American
- 3 – Hispanic
- 2 – American Indian
- 1 – Puerto Rican
- 0 – African American

Thanks for your help.

## **SMALL BUSINESS WEEK 2003 AWARD NOMINATIONS**

If you have an outstanding small business client, please nominate them for the North Carolina Small Business Person of the Year Award. The national observance of Small Business Week will take place June 1-7, 2003. Nominations are due by December 6, 2002. To find out more about nominating someone for Small Business Person of the Year or for one of the small business advocate awards, contact Mike Ernandes at 704-344-6588 or [mike.ernandes@sba.gov](mailto:mike.ernandes@sba.gov).

## **N.C. DISTRICT OFFICE CONTACT LIST**

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